

# Financial Implications of Spectrum of Care Practice for Individual Practitioners, Practices, and Clients



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## **Question 1: What are the potential short- and long-term financial implications of spectrum of care (SOC) practice for individual practitioners, practices, and clients? How does offering a spectrum of care influence client retention and lifetime care, and what are the long-term financial implications for veterinary practices? For example, is there a price point at which clients are less likely to return for future visits?**

Using an SOC strategy in veterinary offices can cause financial fluctuation in the near term. Revenue can initially decline when veterinarians start expanding the range of care options offered beyond the most expensive and cutting-edge diagnostics and treatments. However, over time, offering a broader range of evidence-based care options tailored to clients' and patients' unique circumstances can improve compliance and promote more regular visits, leading to an upward revenue trend. Providing several service levels that vary in scope and price also helps practitioners and practices be more flexible in their income sources and serve a broader range of clients. For example, a basic service level may be entirely preventative and focus only on wellness plans. This approach might cater to low-income or price-sensitive pet owners who otherwise might not seek any sort of veterinary care. At the other end, a premium service level could offer high-end, concierge-type service with options such as regenerative care, endoscopic procedures, and CT scans. An SOC strategy can draw a larger clientele by offering a range of reasonably priced solutions that fit various financial circumstances. While shifting to an SOC approach might involve expenses related to staff training and client marketing of the new service level, the possibility of more appointments resulting from improved customer accessibility can eventually balance these costs (Brown et al., 2021).

In the long term, an SOC strategy offers clients and practitioners financial advantages. The main benefit for veterinary offices is improved client loyalty and retention. Offering a range of service choices will help clinics increase client satisfaction, resulting in improved retention rates and generating more steady, long-term income sources. Clients and patients gain from enhanced access to care and improved health outcomes.

Lifetime treatment adherence and client retention are strongly influenced by an SOC model. Offering several care choices helps clients feel like they have options and can balance the cost of care, hence motivating them to come back for their next visit. Better pet health outcomes are likely when regular visits follow preventative care and treatment recommendations.

Price sensitivity is a crucial factor, as clients are less likely to seek care for their pet, or return for follow-up or future problems, if the price is perceived as unaffordable or too high.

## **Question 2: Do existing research or case studies in veterinary medicine or other healthcare fields provide evidence of these financial implications? If not, what are the most pressing research questions and what is needed to address them?**

Based on findings of the existing literature (see short list below), an SOC approach can offer numerous financial benefits for veterinary practices by enhancing client satisfaction, retention, and lifetime value.

- Brown, C. R., Garrett, L. D., Gilles, W. K., Houlihan, K. E., McCobb, E., Pailler, S., Putnam, H., Scarlett, J. L., Treglia, L., Watson, B., & Wietsma, H. T. (2021). Spectrum of care: More than treatment options. *Journal of the American Veterinary Medical Association*, 259(7), 712–717. <https://doi.org/10.2460/javma.259.7.712>

- Stull, J. W., Shelby, J. A., Bonnett, B. N., Block, G., Budberg, S. C., Dean, R. S., Dicks, M. R., Forsgren, B. W., Golab, G. C., Hamil, J. A., Kass, P. H., King, L. J., Lund, E. M., Maddux, M. L., McFarland, J. M., McKenzie, B. A., Moyer, M. R., Olson, P. M., & Wittum, T. E. (2018). Barriers and next steps to providing a spectrum of effective health care to companion animals. *Journal of the American Veterinary Medical Association*, 253(11), 1386–1389. <https://doi.org/10.2460/javma.253.11.1386>
- Fingland, R. B., Stone, L. R., Read, E. K., & Moore, R. M. (2021). Preparing veterinary students for excellence in general practice: Building confidence and competence by focusing on spectrum of care. *Journal of the American Veterinary Medical Association*, 259(5), 463–470. <https://doi.org/10.2460/javma.259.5.463>

Research gaps remain, however. Further study is needed to establish the price level at which customers are less likely to return. Knowing this will help practices set competitive and sustainable pricing. Studies should also customize the SOC approach to various practice sizes and specializations to meet regional and other client requirements and demographics (Stull et al., 2018).

These research limitations could be addressed by studies that look at the actual effect of an SOC approach on financial success, client retention, and treatment adherence. Ideally, these studies would take a panel or longitudinal approach to assess effects over time. Additional surveys and other quantitative and qualitative assessments of client preferences and attitudes towards SOC-type solutions are also warranted.

### **Question 3a: What are the characteristics of a profitable SOC practice?**

Several things are needed for a practice to be profitable under an SOC approach.

If the SOC approach to care is to be successful, resources must be used effectively and efficiently. Practices can make the most of their resources by using diagnostics and treatments that have been shown to work and are also affordable. This strategy helps cut down on unnecessary costs while improving patient outcomes (Brown et al., 2021).

Candid conversations with clients about the benefits and costs of different care options are essential. These experiences will create trust, increase the likelihood of clients making informed decisions about their pets' health and well-being, support a more solid veterinary–client–patient relationship, and enhance the practice's reputation in the community.

Ultimately, it's about prioritizing client needs. This means getting to know clients well enough to know their needs and actively involving them in care, diagnosis, and treatment plans.

### **Question 3b: How can veterinary practices implement a spectrum of care in a way that ensures continued profitability?**

Intentional staff training comes first. To provide clients with alternatives, veterinary personnel must stay current on developments in clinical practices in addition to available alternative treatments and care models. Without this knowledge, veterinary team members would not be equipped to communicate about and provide patients with a complete spectrum of diagnostic and treatment options.

Second, customers must be educated about the SOC approach and its benefits through effective communication strategies. Success stories and consumer testimonials build trust and value and will go a long way toward showing the virtues of an SOC approach to care. This communication must, again, be balanced by the costs and benefits of considering a spectrum of care.

Lastly, as with any aspect of a successful veterinary practice, a sound budget and a successful pricing strategy are critical. The range of options veterinarians offer clients is perhaps most simply defined by price, but a wide range of other resource and values aspects informs client choice. Pricing must be calibrated to the budget while also being perceived as fair and competitive by clients.

### **Question 3c: What costs should practices consider as part of this implementation?**

Implementing an SOC strategy entails several expenses. Broadly, one can expect additional costs associated with staff training and education, technology deployment (e.g., telemedicine), and marketing and communicating to clients. In addition, other administrative costs may arise, such as the provision of payment plans or client financing options.

### **Question 4: What strategies can individual practitioners use to convince corporate and private veterinary practices of the financial profitability of SOC practice?**

Individual practitioners who want to adopt SOC must convince corporate and private veterinary offices of its financial viability. This need may arise, for example, if the practicing veterinarian is working on a commission basis and does not want to be financially disadvantaged for offering a range of care and treatment options for their clients and patients. A convincing argument may be made in numerous ways.

First, they must present statistics and case studies. Practitioners might demonstrate how other practices have embraced SOC and increased client base and income via various service offerings. Currently, little published data exist to demonstrate this impact. The profession must prioritize the development of this evidence.

Financial estimates and modeling matter too. Financial models should highlight SOC's long-term revenue growth potential and include scenarios that compare conventional care model revenue to SOC revenue, stressing the higher lifetime value of committed customers with flexible care alternatives. Researchers should focus additional efforts on showing how different SOC models might elevate revenue and earnings, especially from the perspective of individual practitioners who are compensated on a production basis.

The industry would also benefit from a better understanding of how an SOC approach to care improves the operational efficiency of the practice. Ideally, a true SOC approach will leverage technology, such as telemedicine, and possibly lower administrative costs, while also bolstering client engagement and adherence. Again, more research is needed in this area.

Finally, the field should address the research gaps previously mentioned regarding optimal price levels that are tailored to practice differences.

## RECOMMENDED CITATION

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